

Message Text

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ACTION ARA-14

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TAGS: EGEN, PGOV, EC
SUBJECT: RESIGNATION OF FINANCE MINISTER

REF: QUITO 2251

THE FOLLOWING IS EMBASSY'S UNOFFICIAL TRANSLATION OF
FORMER FINANCE MINISTER SEVILLA'S LETTER OF
RESIGNATION TO PRESIDENT POVEDA:

BEGIN TEXT. VICE ADMIRAL ALFREDO POVEDA BURBANO,
PRESIDENT OF THE SUPREME COUNCIL OF GOVERNMENT.
MR. PRESIDENT: I OFFER YOU MY SINCERE GREETINGS
AND ALLOW MYSELF TO STATE THE FOLLOWING: AS
PRESIDENT OF THE BOARD OF ECONOMIC ADVISORS AND
MINISTER OF FINANCE, I HAVE ALWAYS CONSIDERED,
FROM THE MOMENT I ASSUMED THE RESPONSIBILITIES
WITH WHICH YOU HAVE HONORED ME, ONE OF THE MOST
IMPORTANT PRIORITIES OF MY JOB TO BE THE ACHIEVEMENT
OF THE HIGHEST POSSIBLE LEVEL OF EMPLOYMENT, A GOAL
FOR WHOSE ATTAINMENT THE NATIONAL GOVERNMENT HAS
DEVOTED AN ENORMOUS FINANCIAL EFFORT THROUGH THE
STATE BUDGET, FONADE, AND THE INVESTMENT OF
AUTONOMOUS ENTITIES OF THE PUBLIC SECTOR SUCH AS
CEPE AND INECEL. NEVERTHELESS, THE NATIONAL
PLANNING BOARD AND THE CENTRAL BANK DID NOT
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PROVIDE THE UNEMPLOYMENT STATISTICS THAT ARE OF
CRUCIAL IMPORTANCE TO THE MANAGEMENT OF THIS
ECONOMIC POLICY.
FOR THAT REASON, BASED ON THE AUTHORITY GIVEN TO
ME BY THE FINANCIAL ADMINISTRATION AND CONTROL LAW,
ARTICLE 24, SECTION B, I ASSIGNED FUNDS WITHIN THE
BUDGET SO THAT THE FOUNDATION FOR EDUCATION AND

DEVELOPMENT (FEDESARROLLO) COULD UNDERTAKE INVESTIGATION AND STATISTICAL RESEARCH LEADING TO THE CREATION OF AN INDEX OF THE NUMBER OF UNEMPLOYED IN ECUADOR.

BASED ON THIS ASSIGNMENT OF FUNDS, THE MINISTRY OF FINANCE SIGNED A CONTRACT WITH FEDESARROLLO IN ACCORDANCE WITH ART. 5, SECTION 11 OF THE LAW OF TENDERS AND COMPETITIVE OFFERS, WHICH ALLOWS FOR CONTRACTS FOR STUDIES, SUPERVISION OF WORKS, TECHNICAL MANAGEMENT, AUDITING, ACCOUNTING AND OTHER SPECIALIZED PROFESSIONAL SERVICES WITHOUT THE REQUIREMENT OF OFFERING A TENDER OR COMPETITIVE BIDDING.

THE COMPTROLLER GENERAL OF THE NATIONAL TELLS ME THAT THE THIRD PARAGRAPH OF ARTICLE 7 OF THE SAME LAW OBLIGATES THE OFFICES OF THE COMPTROLLER AND ATTORNEY GENERAL OF THE NATION TO SUBMIT A FAVORABLE REPORT ON THE CONTRACT WITHIN SIX DAYS. AFTER THAT TIME HAS ELAPSED, THE ABSENCE OF A REPORT FROM THESE OFFICES IS CONSIDERED TO BE A FAVORABLE REPORT.

BECAUSE OF THE ERROR OF A SUBORDINATE OFFICER, THE REPORT WAS NOT OBTAINED. IT IS OBVIOUS AND INDISPUTABLE THAT THE ULTIMATE RESPONSIBILITY FOR THIS ERROR IS INEXCUSABLY MINE, AS MINISTER OF FINANCE.

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THIS ACT COULD INVALIDATE THE IMPORTANT CONTRACT AND CAUSE CRITICISM OF THE GOVERNMENT OVER WHICH YOU RIGHTLY PRESIDE. GIVEN THE CIRCUMSTANCES, I CONSIDER IT PROPER TO PROTECT THE PRESTIGE OF THE GOVERNMENT AND MY HONOR, FOR WHICH REASON I IRREVOCABLY RESIGN AS MINISTER OF FINANCE AND PUBLIC CREDIT.

I TAKE THE LIBERTY TO RECOMMEND, IN DEFENSE OF THE CONTRACT WHICH WAS SIGNED IN GOOD FAITH WITH FEDESARROLLO, THAT SAID CONTRACT BE REVALIDATED IN ORDER TO AVOID DAMAGES AND INJURIES THAT FEDESARROLLO MAY SUFFER BECAUSE OF THE ADMINISTRATIVE ERROR MENTIONED ABOVE.

AT THE SAME TIME, I TAKE ADVANTAGE OF THIS OCCASION OF MY IRREVOCABLE RESIGNATION TO STATE THAT DR. FRANCISCO HUERTA MONTALVO, CANDIDATE FOR PRESIDENT OF THE REPUBLIC, SIGNED THIS CONTRACT IN GOOD FAITH AT A TIME WHEN HE WAS NEITHER THE PRESIDENT OF THE LIBERAL PARTY, NOR IN A POSITION TO BE A PRESIDENTIAL CANDIDATE, BUT RATHER AS AN ORDINARY CITIZEN AND EXECUTIVE DIRECTOR OF FEDESARROLLO. IT IS EVIDENT THAT HE IS NOT RESPONSIBLE FOR THIS

ADMINISTRATIVE ERROR.

I TAKE THIS OPPORTUNITY TO REITERATE TO YOU, MR.
PRESIDENT, AND THROUGH YOU TO THE OTHER MEMBERS
OF THE SUPREME COUNCIL OF GOVERNMENT, DIVISION
GENERAL GUILLERMO DURAN ARCENTALES AND BRIGADIER
GENERAL LUIS LEORO FRANCO, THE ASSURANCES OF MY
MOST DISTINGUISHED CONSIDERATION. SIGNATURE:
SANTIAGO SEVILLA LARREA, MINISTER OF FINANCE.
END TEXT.
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